

**MINUTES**  
**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**Audit and Finance Committee**  
**Storch Room, 3301 Gun Club Road, West Palm Beach, FL 33406**  
**Wednesday, August 8, 2007**

**Attendees:**

Charles Dauray – Chairman  
Patrick Rooney, Jr.

Shannon Estenoz  
Harkley Thornton

**Absent:** Mike Collins

**1. Call to Order**

Chairman Dauray called the meeting to order at 9:00 a.m.

**2. Agenda Changes/Additions/Deletions**

There were no changes/additions/deletions to the agenda.

**3. Approval of February, 2007 minutes**

A motion was made by Shannon Estenoz to approve the minutes of the February, 2007 committee minutes and Patrick Rooney seconded the motion. Chair Dauray called for a vote and the motion passed unanimously.

**4. Audit and Finance Committee Organizational Issues (Dates, Time, Place, Frequency of Meetings) & Approval of Audit & Finance Committee Draft Charter – John Williams, Inspector General and Aaron Basinger, Director, Finance & Administration Department**

Mr. Williams discussed those constant items the Committee should expect to see at the quarterly meetings and items that mandatorily must be presented to the Committee either on a quarterly, semi-annual or yearly basis. The Committee will also be apprised and consulted on special issues that may arise during the year. Mr. Williams suggested that the Committee discuss items they would like to see addressed and advise staff so that such items may be included on the meeting agenda.

Chairman Dauray discussed the melding of the Audit Committee and the Finance Committee and getting up to speed on the new SAP software to which the District has transitioned. The Chair suggested that a special working committee meeting in West Palm Beach may be of great help to the Committee members. The members, being agreeable, set the first special working committee meeting for Tuesday, September 25, 2007 at 1:00 p.m. in West Palm Beach and the second will be held Tuesday, October 9, 1:00 p.m., also in West Palm Beach. November, 2007 will be the regular quarterly meeting. Chair Dauray suggested these working meetings be held from 1:00 p.m. to 4:00 p.m.

Mr. Williams again expressed his desire for the Committee to apprise staff of any matters of interest that the Committee would like to have placed on the agenda.

Mr. Williams, with contributions from Carol Wehle, Executive Director of the District, and Paul Dumars, the District's Chief Financial Officer, spoke on the history and function of the Audit Committee and the Finance Committee as independent committees, the interaction of the two committees and the reasoning for combining the two committees. The draft charter for this new Audit and Finance Committee was discussed. Ms. Estenoz requested a summary of policies now in place related to finance, debt and budget constraints.

When providing answers to questions posed by the individual Committee members outside of a meeting, Chair Dauray requested that answers from staff be provided to all members and not solely to the member requesting the information. Chair Dauray also directed that if staff is in doubt as to whether a particular piece of information should be provided to the Committee members, staff should proceed to provide the information.

Ms. Estenoz commented on the charter, pointing out that lines 14 thru 19 on the third page need to be renumbered.

**5. Introduction of External Auditors – Sharpton, Brunson & Company, P.A., - John Williams, Inspector General**

Mr. Williams introduced Sharpton, Brunson & Company, P.A., the firm providing independent auditing services to the District. Mr. Tony Brunson and Mr. Kevin Adderly spoke on the background, history and qualifications of the firm and completed a presentation on the scope of the examination and audit plan timetable with Audit Reports (final deliverables) to be presented to the Committee on February 13, 2008.

Mr. Brunson further addressed the final report, Comprehensive Annual Financial Report (CAFR), Audit Risk Assessment Standards and the eight new SAS requirements (auditing standards).

Chair Dauray questioned the coordination between the SAP system in use by the District and the system of the external auditors and also is the SAP system integrating well with the external auditor's system.

Mr. Burns related tardiness in some reports from the District which has been identified and addressed and expressed overall satisfaction with the integration.

Mrs. Wehle explained the District's implementation of the SAP system and suggested providing the Committee with a history of the District's financial system, the investment made in the SAP system and the District's return on that investment.

Ms. Estenoz would like to fully understand the type of data provided by SAP.

Chairman Dauray requested staff provide the Committee members with an introduction to the SAP system. An introductory session for Mr. Dauray, Mr. Rooney and Ms. Estenoz was set for Tuesday, September 25, 2007 at 9:30 a.m. prior to the first special working Committee meeting. Ms. Wehle suggested a presentation by Sharon Trost, Chief Information Officer for the District, of the re-engineering of the system.

After a short discussion, Mr. Williams agreed that the Committee members may call with their questions as they arise rather than waiting for the working meeting.

Mr. Williams introduced his staff and explained the Inspector General's Reports.

**6. Inspector General's Activity Report – John Williams, Inspector General**

Mr. Williams and Mr. Tim Beirnes provided explanation of the Inspector General's responsibilities and peer review procedure and process which is performed every 3 years, last completed in May, 2007 which was a favorable review.

**7. Old Business/New Business – Charles Dauray**

None presented.

Chairman Dauray adjourned the meeting at 9:59 a.m.

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Charles Dauray, Chairman  
Audit and Finance Committee